

Photo Mechanisms inc.

~~1033 NEW YORK AVENUE~~ HUNTINGTON STATION, LONG ISLAND, NEW YORK
6 WEST EIGHTEENTH STREET, Phone ~~HUNTINGTON 4-3880~~
HAMILTON 1-3868

December 13, 1955

Eastman Kodak Company
Camera Works
333 State Street
Rochester 4, New York

Reference: Purchase Order No. G-13763
Our Job No. 174

STATINTL

Attention:

Gentlemen:

in response to your request, we are listing
below our rates as applicable to such Time-and-Material
contracts as the above referenced order.

STATINTL

These rates are calculated from an average
engineering salary of
model shop salary of

STATINTL

Expenses including purchases, subcontracts, and
travel are extra at cost.

STATINTL

ILLEGIB

Very truly yours,

PHOTOMECHANISMS, Inc.

PART OR ALL OF THE ARTICLES COVERED BY THE ATTACHED ORDER ARE TO BE USED IN THE PERFORMANCE OF CONTRACTS FOR THE GOVERNMENT. THE FOLLOWING PROVISIONS ARE ESSENTIAL PARTS OF THIS ORDER, TO ALL OF WHICH YOU AGREE IN ACCEPTING THIS ORDER

LABOR STANDARDS: NONDISCRIMINATION

YOU WARRANT THAT THE WORK WILL BE DONE HEREUNDER IN COMPLIANCE WITH THE FAIR LABOR STANDARDS ACT OF 1938 AND WITH THE APPLICABLE PROVISIONS OF THE WALSH-HEALY ACT AND THE EIGHT HOUR LAW. IF THIS IS AN ORDER OR SUB-CONTRACT FOR OTHER THAN STANDARD COMMERCIAL SUPPLIES OR RAW MATERIALS, YOU AGREE NOT TO DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BECAUSE OF RACE, RELIGION, COLOR, OR NATIONAL ORIGIN. THE AFORESAID PROVISION SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING: EMPLOYMENT, UPGRADING, DEMOTION, OR TRANSFER; RECRUITMENT OR RECRUITMENT ADVERTISING; LAYOFF OR TERMINATION; RATES OF PAY OR OTHER FORMS OF COMPENSATION; AND SELECTION FOR TRAINING, INCLUDING APPRENTICESHIP. YOU AGREE TO POST HEREAFTER IN CONSPICUOUS PLACES, AVAILABLE FOR EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, NOTICES TO BE PROVIDED BY THE CONTRACTING OFFICER SETTING FORTH THE PROVISIONS OF THE NONDISCRIMINATION CLAUSE.

NOTICE TO GOVERNMENT OF LABOR DISPUTES

WHEREVER AN ACTUAL OR POTENTIAL LABOR DISPUTE IS DELAYING OR THREATENS TO DELAY THE TIMELY PERFORMANCE OF THIS CONTRACT, YOU WILL IMMEDIATELY GIVE NOTICE THEREOF TO THE NEAREST REPRESENTATIVE OF THE GOVERNMENT DEPARTMENT CONCERNED. SUCH NOTICE SHALL INCLUDE ALL RELEVANT INFORMATION WITH RESPECT TO SUCH DISPUTE; PROVIDED SUCH NOTICE NEED NOT BE GIVEN IF THIS IS AN ORDER FOR THE FURNISHING OF STANDARD OR COMMERCIAL ARTICLES OR RAW MATERIAL.

MILITARY SECURITY REQUIREMENTS

(A) THE PROVISIONS OF THE FOLLOWING PARAGRAPHS OF THIS CLAUSE SHALL APPLY ONLY IF AND TO THE EXTENT THAT THIS ORDER INVOLVES ACCESS TO CLASSIFIED MATTER, WHICH AS USED IN THIS CLAUSE SHALL MEAN INFORMATION OR MATERIAL CLASSIFIED "TOP SECRET", "SECRET", OR "CONFIDENTIAL".

(B) YOU (I) SHALL BE RESPONSIBLE FOR SAFEGUARDING ALL CLASSIFIED MATTER AND SHALL NOT SUPPLY OR DISCLOSE CLASSIFIED MATTER TO ANY UNAUTHORIZED PERSON, (II) SHALL NOT MAKE OR PERMIT TO BE MADE ANY REPRODUCTIONS OF MATTER CLASSIFIED "TOP SECRET" EXCEPT WITH THE PRIOR WRITTEN AUTHORIZATION OF THE CONTRACTING OFFICER, (III) SHALL NOT MAKE OR PERMIT TO BE MADE ANY REPRODUCTIONS OF MATTER CLASSIFIED "SECRET", OR "CONFIDENTIAL", EXCEPT AS MAY BE ESSENTIAL TO PERFORMANCE OF THE CONTRACT, (IV) SHALL SUBMIT TO THE CONTRACTING OFFICER, AT SUCH TIME AS THE CONTRACTING OFFICER, MAY DIRECT, AN ACCOUNTING OF ALL REPRODUCTIONS OF MATTER CLASSIFIED "TOP SECRET", "SECRET", OR "CONFIDENTIAL", AND (V) SHALL NOT INCORPORATE IN ANY OTHER PROJECT ANY SPECIAL FEATURES OR DESIGN OR CONSTRUCTION WHICH WILL DISCLOSE CLASSIFIED MATTER, EXCEPT WITH THE PRIOR WRITTEN AUTHORIZATION OF THE CONTRACTING OFFICER.

(C) EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SECRETARY OR HIS DULY AUTHORIZED REPRESENTATIVE, YOU (I) SHALL NOT PERMIT ANY ALIER TO HAVE ACCESS TO CLASSIFIED MATTER, AND (II) SHALL NOT PERMIT ANY INDIVIDUAL TO HAVE ACCESS TO MATTER CLASSIFIED "TOP SECRET", OR "SECRET".

(D) YOU AGREE (I) TO SUBMIT IMMEDIATELY TO THE CONTRACTING OFFICER A COMPLETE CONFIDENTIAL REPORT OF ANY INFORMATION WHICH YOU MAY HAVE CONCERNING EXISTING OR THREATENING ESPIONAGE, SABOTAGE, OR SUBVERSIVE ACTIVITY, (II) TO SUBMIT TO THE CONTRACTING OFFICER, UPON WRITTEN REQUEST, ANY AND ALL INFORMATION WHICH YOU MAY HAVE CONCERNING ANY OF YOUR EMPLOYEES ENGAGED IN ANY WORK AT ANY PLANT, FACTORY, OR SITE AT WHICH WORK UNDER THIS CONTRACT IS BEING PERFORMED, AND (III) TO EXCLUDE FROM YOUR PLANT, FACTORY, SITE OR PART THEREOF, AT WHICH WORK UNDER THIS CONTRACT IS BEING PERFORMED, ANY PERSON OR PERSONS WHOM THE SECRETARY OR HIS DULY AUTHORIZED REPRESENTATIVE, IN THE INTEREST OF SECURITY, MAY DESIGNATE IN WRITING.

(E) YOU ARE AUTHORIZED TO RELY ON ANY LETTER OR OTHER WRITTEN INSTRUMENT SIGNED BY THE CONTRACTING OFFICER, CHANGING OR ENTIRELY REMOVING THE CLASSIFICATION OF THIS ORDER OR OF ANY CLASSIFIED MATTER.

(F) YOUR OBLIGATIONS UNDER THIS CLAUSE SHALL BE IN ADDITION TO ANY OBLIGATIONS TO COMPLY WITH ALL THE RULES AND PROVISIONS OF ANY APPLICABLE SECURITY OR SECRECY AGREEMENT HERETOFORE OR HEREAFTER ENTERED INTO BETWEEN YOU AND THE GOVERNMENT.

(G) YOU AGREE TO INSERT, IN ALL SUBCONTRACTS HEREUNDER WHICH INVOLVE ACCESS TO CLASSIFIED MATTER, PROVISIONS WHICH SHALL CONFORM SUBSTANTIALLY TO THE LANGUAGE OF THIS CLAUSE, INCLUDING THIS PARAGRAPH (G); PROVIDED, THAT SUCH PROVISIONS NEED NOT BE INCLUDED IN ANY SUBCONTRACT AS TO WHICH THE CONTRACTING OFFICER SHALL CONSENT TO THE OMISSION OF SUCH PROVISIONS.

INSPECTION; WARRANTIES

ALL MATERIAL AND WORKMANSHIP SHALL AT ALL TIMES AND PLACES AND WHEN PRACTICABLE DURING MANUFACTURE BE SUBJECT TO INSPECTION AND TESTS BY THE GOVERNMENT. YOU AGREE TO REPAIR OR REPLACE DEFECTIVE MATERIAL OR WORKMANSHIP AND PARTS OR ARTICLES NOT IN CONFORMITY WITH THE DRAWING

AND SPECIFICATIONS, IF ANY, OR THE REQUIREMENTS OF THIS ORDER MAY BE REJECTED AND AT OUR OPTION SHALL BE PROMPTLY CORRECTED OR REPLACED AT YOUR EXPENSE.

YOU WARRANT THAT THE WORK DONE AND ITEMS FURNISHED UNDER THIS ORDER WILL COMPLY WITH THE APPLICABLE DRAWINGS, SPECIFICATIONS OR DESCRIPTION AND WILL BE OF GOOD WORKMANSHIP AND MATERIAL AND FREE FROM DEFECT, NOTWITHSTANDING INSPECTION, ACCEPTANCE OR PAYMENT BY US.

GOVERNMENT AUDIT; RECORDS

YOU AGREE TO PERMIT ANY PERSON DESIGNATED BY THE HEAD OF ANY EXECUTIVE GOVERNMENT DEPARTMENT CONCERNED TO INSPECT AND AUDIT YOUR PLANTS AND BOOKS IN CONNECTION HERewith AND TO CAUSE A SIMILAR PROVISION TO BE INSERTED IN ALL SUBCONTRACTS HEREUNDER. IF THIS ORDER IS MADE ON A "COST-PLUS-A-FIXED-FEE" BASIS, OR ON A "TIME-AND-MATERIAL" BASIS, YOU SHALL KEEP AND PRESERVE RECORDS AND BOOKS OF ACCOUNT PERTAINING TO THIS ORDER; PROVIDED, HOWEVER, IF YOU, AT ANY TIME AFTER THE LAPSE OF SIX YEARS FOLLOWING THE DATE UPON WHICH THE FINAL PAYMENT HEREUNDER BECOMES DUE, DESIRE TO DISPOSE OF SAID RECORDS AND BOOKS OF ACCOUNT, YOU SHALL NOTIFY THE HEAD OF THE GOVERNMENT DEPARTMENT CONCERNED, WHO SHALL EITHER AUTHORIZE THEIR DESTRUCTION OR NOTIFY YOU TO TURN THEM OVER TO THE GOVERNMENT FOR DISPOSITION, AND YOU SHALL PROMPTLY COMPLY WITH SUCH NOTICE.

YOU AGREE, PURSUANT TO PUBLIC LAW 245, 82ND CONGRESS, THAT THE COMPTROLLER GENERAL OF THE UNITED STATES OR ANY OF HIS DULY AUTHORIZED REPRESENTATIVES SHALL, UNTIL THE EXPIRATION OF THREE YEARS AFTER FINAL PAYMENT OF PRIME CONTRACT, IF ANY, BETWEEN THE UNITED STATES OF AMERICA AND EASTMAN KODAK COMPANY, HAVE ACCESS TO AND THE RIGHT TO EXAMINE ANY DIRECTLY PERTINENT BOOKS, DOCUMENTS, PAPERS, AND RECORDS OF YOURS INVOLVING TRANSACTIONS RELATED TO THIS ORDER. THE PROVISIONS OF THE PRECEDING SENTENCE ARE IN ADDITION TO ANY OTHER PROVISIONS HEREOF RELATING TO ACCESS TO, RETENTION OF, AND INSPECTION OF RECORDS.

BUY AMERICAN ACT

YOU AGREE THAT THERE WILL BE DELIVERED UNDER THIS CONTRACT ONLY SUCH UNMANUFACTURED ARTICLES, MATERIALS, AND SUPPLIES (WHICH TERM "ARTICLES, MATERIALS AND SUPPLIES" IS HEREINAFTER REFERRED TO IN THIS CLAUSE AS "SUPPLIES") AS HAVE BEEN MINED OR PRODUCED IN THE UNITED STATES, AND ONLY SUCH MANUFACTURED SUPPLIES AS HAVE BEEN MANUFACTURED IN THE UNITED STATES SUBSTANTIALLY ALL FROM SUPPLIES MINED, PRODUCED, OR MANUFACTURED, AS THE CASE MAY BE, IN THE UNITED STATES. PURSUANT TO THE BUY AMERICAN ACT (41 U.S. CODE 10A-D), THE FOREGOING PROVISION SHALL NOT APPLY (i) WITH RESPECT TO SUPPLIES EXCEPTED BY THE SECRETARY FROM THE APPLICATION OF THAT ACT, (ii) WITH RESPECT TO SUPPLIES FOR USE OUTSIDE THE UNITED STATES, OR (iii) WITH RESPECT TO THE SUPPLIES TO BE DELIVERED UNDER THIS CONTRACT WHICH ARE OF A CLASS OR KIND DETERMINED BY THE SECRETARY OR HIS DULY AUTHORIZED REPRESENTATIVE NOT TO BE MINED, PRODUCED, OR MANUFACTURED, AS THE CASE MAY BE, IN THE UNITED STATES IN SUFFICIENT AND REASONABLY AVAILABLE COMMERCIAL QUANTITIES AND OF A SATISFACTORY QUALITY, OR (iv) WITH RESPECT TO SUCH SUPPLIES, FROM WHICH THE SUPPLIES TO BE DELIVERED UNDER THIS CONTRACT ARE MANUFACTURED, AS ARE OF A CLASS OR KIND DETERMINED BY THE SECRETARY OR HIS DULY AUTHORIZED REPRESENTATIVE NOT TO BE MINED, PRODUCED, OR MANUFACTURED, AS THE CASE MAY BE, IN THE UNITED STATES IN SUFFICIENT AND REASONABLY AVAILABLE COMMERCIAL QUANTITIES AND OF A SATISFACTORY QUALITY, PROVIDED THAT THIS EXCEPTION (iv) SHALL NOT PERMIT DELIVERY OF SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES IF SUCH SUPPLIES ARE MANUFACTURED IN THE UNITED STATES IN SUFFICIENT AND REASONABLY AVAILABLE COMMERCIAL QUANTITIES AND OF A SATISFACTORY QUALITY.

OFFICIALS NOT TO BENEFIT

NO MEMBER OF OR DELEGATE TO CONGRESS OR RESIDENT COMMISSIONER SHALL BE ADMITTED TO ANY SHARE OR PART OF THIS CONTRACT OR TO ANY BENEFIT THAT MAY ARISE THEREFROM, BUT THIS PROVISION SHALL NOT BE CONSTRUED TO EXTEND TO THIS CONTRACT IF MADE WITH A CORPORATION FOR ITS GENERAL BENEFIT.

ASSIGNMENTS

NEITHER THIS ORDER NOR ANY INTEREST HEREIN NOR ANY CLAIM ARISING HEREUNDER SHALL BE TRANSFERRED OR ASSIGNED BY THE SELLER WITHOUT THE APPROVAL OF THE BUYER.

CHARGES

WE SHALL BE FREE TO REQUIRE CHARGES IN THE WORK TO BE PERFORMED BY YOU HEREUNDER. SUCH EQUITABLE ADJUSTMENTS SHALL BE MADE IN THE AMOUNT DUE HEREUNDER AND/OR IN THE TIME REQUIRED FOR THE PERFORMANCE HEREOF AS IS APPROPRIATE. NO CHANGE IN ANY OF THE PROVISIONS OR REQUIREMENTS OF THIS ORDER OR INSTRUCTIONS SHALL BE EFFECTIVE UNLESS IN WRITING AND SIGNED BY OUR AUTHORIZED REPRESENTATIVE.

TAXES

UNLESS THIS ORDER SPECIFIES OTHERWISE, THE PRICES INCLUDE ALL EXISTING FEDERAL MANUFACTURERS' AND RETAILERS' EXCISE TAXES APPLICABLE TO THE ITEMS ORDERED. PRICES SHALL EXCLUDE EXISTING STATE AND LOCAL SALES, USE OR OTHER TAX UPON THE UNDERSTANDING THAT WE WILL FURNISH YOU WITH A CERTIFICATE, AFFIDAVIT

OR OTHER DOCUMENT ADEQUATE TO OBTAIN EXEMPTION FROM ANY SUCH EXCLUDED TAX. IF AFTER THE DATE HEREOF ANY FEDERAL, STATE OR LOCAL LAW SHALL IMPOSE OR INCREASE ANY TAX DIRECTLY APPLICABLE TO THE PRODUCTION OR SALE OF ANY SUCH ITEMS FROM WHICH YOU CANNOT OBTAIN EXEMPTION OR DECREASE ANY TAX INCLUDED IN THE PRICE OR PRICES, AN APPROPRIATE ADJUSTMENT WILL BE MADE TO REFLECT SUCH ADDED, INCREASED OR DECREASED TAX.

CANCELLATION

WITHOUT PREJUDICE TO ANY OTHER RIGHTS WHICH WE MAY HAVE HEREUNDER, AND IN ADDITION THERETO, WE RESERVE THE RIGHT BY WRITTEN NOTICE TO YOU TO CANCEL THIS ORDER IN WHOLE OR IN PART, AS TO UNACCEPTED ITEMS, AND HOLD YOU RESPONSIBLE, UPON BREACH HEREOF BY YOU, INCLUDING BUT WITHOUT LIMITATION, DEFECTS IN MATERIAL EQUIPMENT, OR WORKMANSHIP, NON-COMPLIANCE WITH DRAWINGS, INSTRUCTIONS OR SPECIFICATION, OR DELAY IN DELIVERY, NOT CAUSED BY CONDITIONS BEYOND YOUR CONTROL, OR IF YOU SHALL BE ADJUDICATED BANKRUPT OR SHALL FILE A VOLUNTARY PETITION, OR CONSENT TO OR FAIL TO CONTEST A PETITION UNDER THE FEDERAL BANKRUPTCY LAWS, OR IF A RECEIVER OR TRUSTEE OF A SUBSTANTIAL PART OF YOUR PROPERTY SHALL BE APPOINTED, OR IF YOU SHALL FILE AN ASSIGNMENT UNDER ANY INSOLVENCY ACT, OR MAKE AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS.

TERMINATION

(A) THE BUYER MAY TERMINATE WORK UNDER THIS ORDER IN WHOLE OR IN PART AT ANY TIME BY WRITTEN OR TELEGRAPHIC NOTICE. SUCH NOTICE SHALL STATE THE EXTENT AND EFFECTIVE DATE OF SUCH TERMINATION; AND, UPON THE RECEIPT HEREOF, THE SELLER WILL, AS AND TO THE EXTENT DIRECTED BY THE BUYER, STOP WORK UNDER THIS ORDER AND THE PLACEMENT OF FURTHER ORDERS OR SUBCONTRACTS HEREUNDER, TERMINATE WORK UNDER ORDERS AND SUBCONTRACTS OUTSTANDING HEREUNDER AND TAKE ANY NECESSARY ACTION TO PROTECT PROPERTY IN THE SELLER'S POSSESSION IN WHICH THE BUYER HAS OR MAY ACQUIRE AN INTEREST.

(B) IF THE PARTIES CANNOT AGREE WITHIN A REASONABLE TIME UPON THE AMOUNT OF FAIR COMPENSATION TO THE SELLER FOR SUCH TERMINATION, THE BUYER IN ADDITION TO MAKING PROMPT PAYMENT OF AMOUNTS DUE FOR ARTICLES DELIVERED OR SERVICES RENDERED PRIOR TO THE EFFECTIVE DATE OF TERMINATION, WILL PAY TO THE SELLER, WITHOUT DUPLICATION OF ANY ITEMS, THE FOLLOWING AMOUNTS:

- (1) THE CONTRACT PRICE FOR ALL ARTICLES OR SERVICES WHICH HAVE BEEN COMPLETED IN ACCORDANCE WITH THIS ORDER AND NOT PREVIOUSLY PAID FOR; OR, IF THIS ORDER IS MADE ON A "COST-PLUS-A-FIXED-FEE" BASIS OR ON A "TIME-AND-MATERIAL" BASIS ALL COSTS AND EXPENSES REIMBURSABLE IN ACCORDANCE WITH THIS ORDER, NOT PREVIOUSLY PAID TO THE SELLER FOR THE PERFORMANCE HEREOF PRIOR TO THE EFFECTIVE DATE OF THE NOTICE OF TERMINATION AND SUCH OF THESE COSTS AS MAY CONTINUE FOR A REASONABLE TIME THEREAFTER WITH BUYER'S APPROVAL, PROVIDED, HOWEVER, THAT THE SELLER SHALL PROCEED AS RAPIDLY AS PRACTICABLE TO DISCONTINUE SUCH COSTS.
- (2) (i) THE ACTUAL COSTS INCURRED BY THE SELLER WHICH ARE PROPERLY ALLOCABLE OR APPORTIONABLE TO THE TERMINATED PORTION OF THIS ORDER, INCLUDING THE COST OF DISCHARGING LIABILITIES WHICH ARE SO ALLOCABLE OR APPORTIONABLE (WHICH COST MAY INCLUDE A REASONABLE ALLOWANCE FOR PROFIT BUT ONLY ON WORK DONE IN CONNECTION WITH THE TERMINATED PORTION OF ANY SUBCONTRACTS OR ORDERS HEREUNDER), BUT EXCLUDING ANY CHARGE FOR INTEREST ON BORROWINGS, AND (ii) A SUM EQUAL TO 2 PERCENT OF THE PART OF SUCH COSTS REPRESENTING THE COSTS OF ARTICLES OR MATERIALS NOT PROCESSED BY THE SELLER, PLUS A SUM EQUAL TO 8 PERCENT OF THE REMAINDER OF SUCH COSTS, BUT THE AGGREGATE OF SUCH SUMS SHALL NOT EXCEED 6 PERCENT OF THE WHOLE OF SUCH COSTS. FOR THE PURPOSE OF SUBDIVISION (ii) SUCH COSTS SHALL EXCLUDE THE COSTS OF DISCHARGING LIABILITIES FOR PARTS, MATERIALS AND SERVICES NOT RECEIVED BY THE SELLER BEFORE THE EFFECTIVE DATE OF TERMINATION; OR IF THIS ORDER IS MADE ON A "COST-PLUS-A-FIXED-FEE" BASIS OR ON A "TIME-AND-MATERIAL" BASIS, THE COST NOT OTHERWISE INCLUDED OF SETTLING AND PAYING CLAIMS EITHER ARISING OUT OF THE TERMINATION OF WORK UNDER SUB-CONTRACTS OR ORDERS HEREUNDER OR WITH RESPECT TO ANY OTHER OBLIGATIONS, COMMITMENTS AND LIABILITIES THE COST OF WHICH WOULD BE REIMBURSABLE IN ACCORDANCE WITH THE PROVISIONS OF THIS ORDER OR ARISING IN CONNECTION WITH THE TERMINATION OF THIS ORDER AND PROPERLY CHARGEABLE HERETO, PROVIDED ANY SUCH CLAIM HAS BEEN SETTLED WITH BUYER'S APPROVAL, PLUS SUCH PROPORTION OF THE FIXED FEE PAYABLE HEREUNDER AS IS EQUAL TO THE PERCENTAGE OF COMPLETION OF THIS ORDER AT THE DATE OF TERMINATION LESS ANY PAYMENTS ON ACCOUNT OF FEE THERETOFORE MADE.
- (3) THE REASONABLE COSTS OF THE SELLER IN MAKING SETTLEMENT HEREUNDER AND IN PROTECTING PROPERTY IN WHICH THE BUYER HAS OR MAY ACQUIRE AN INTEREST. PAYMENTS MADE UNDER THIS PARAGRAPH (B), EXCLUSIVE OF PAYMENTS UNDER SUB-PARAGRAPH (3), SHALL NOT EXCEED THE AGGREGATE PRICE SPECIFIED IN THIS ORDER, LESS PAYMENTS OTHERWISE MADE OR TO BE MADE.

FOR THE PURPOSES OF SUB-PARAGRAPHS (1), (2), AND (3) HEREOF, COSTS SHALL BE DETERMINED PURSUANT

- 4 -

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TO THE CONTRACT COST PRINCIPLES AS SET FORTH IN THE ARMED SERVICES PROCUREMENT REGULATIONS IF THE PRIME CONTRACT TO WHICH THIS ORDER RELATES CONTAINS A SIMILAR PROVISION, OTHERWISE PURSUANT TO THE STATEMENT OF PRINCIPLES FOR CONSIDERATION OF COSTS SET FORTH IN PART 4 OF SECTION VIII OF THE ARMED SERVICES PROCUREMENT REGULATIONS AS IN EFFECT ON THE DATE OF THE PRIME CONTRACT.

(C) WITH THE CONSENT OF THE BUYER, AND SUBJECT TO ANY RIGHT OR INTEREST WHICH THE U. S. GOVERNMENT MAY HAVE THEREIN, THE SELLER MAY KEEP AT AN AGREED PRICE OR SELL AT AN APPROVED PRICE ANY COMPLETED ARTICLES, OR ANY ARTICLES, MATERIALS, WORK IN PROCESS OR OTHER THINGS THE COST OF WHICH IS ALLOCABLE OR APPORTIONABLE TO THIS ORDER UNDER PARAGRAPH (B) (2) ABOVE AND WILL CREDIT OR PAY THE AMOUNTS SO AGREED OR RECEIVED TO THE PRICE OR COST OF THE WORK COVERED BY THIS ORDER OR AS THE BUYER OTHERWISE DIRECTS. AS DIRECTED BY THE BUYER, THE SELLER WILL TRANSFER TITLE TO, AND MAKE DELIVERY OF, ANY SUCH ARTICLES, MATERIALS, WORK IN PROCESS OR OTHER THINGS NOT SO KEPT OR SOLD. APPROPRIATE ADJUSTMENT WILL BE MADE FOR DELIVERY COSTS OR SAVINGS THEREIN.

(D) THE PROVISIONS OF THIS SECTION SHALL NOT LIMIT OR AFFECT THE RIGHT OF THE BUYER TO TERMINATE HIS ORDER FOR DEFAULT OF THE SELLER.

(E) SINCE THE BUYER'S CLAIM, IF ANY, MAY IN TURN BE REQUIRED TO BE PRESENTED WITHIN A SPECIFIED TIME AFTER TERMINATION, SELLER'S CLAIM HEREUNDER SHALL BE SUBMITTED PROMPTLY BUT IN NO EVENT LATER THAN 8 MONTHS FROM THE EFFECTIVE DATE OF TERMINATION OR SUCH EARLIER TIME AS BUYER MAY SPECIFY, UNLESS EXTENDED IN WRITING BY BUYER UPON REQUEST OF THE SELLER MADE IN WRITING WITHIN SUCH PERIOD. UPON FAILURE OF THE SELLER TO SUBMIT SUCH CLAIM WITHIN THE TIME ALLOWED, THE BUYER SHALL DETERMINE, ON THE BASIS OF INFORMATION AVAILABLE TO IT, THE AMOUNT, IF ANY, DUE TO THE SELLER BY REASON OF THE TERMINATION.

SPECIAL TOOLS

UNLESS OTHERWISE AGREED IN WRITING, ALL SPECIAL DIES, MOLDS, PATTERNS, JIGS AND FIXTURES FURNISHED TO THE SELLER BY THE PURCHASER OR SPECIFICALLY PAID FOR BY THE PURCHASER, SHALL BE THE PROPERTY OF THE PURCHASER, SHALL BE SUBJECT TO REMOVAL UPON COMPLETION OF THE ORDER AT THE PURCHASER'S REQUEST, SHALL BE USED ONLY IN FILLING ORDERS FROM THE PURCHASER, SHALL BE HELD AT THE SELLER'S RISK AND SHALL BE KEPT INSURED BY THE SELLER WHILE IN ITS CUSTODY OR CONTROL IN AN AMOUNT EQUAL TO THE REPLACEMENT COST THEREOF WITH LOSS PAYABLE TO THE PURCHASER.

RENEGOTIATION

(A) THIS CONTRACT IS SUBJECT TO THE RENEGOTIATION ACT OF 1951, (P.L. 9, 82ND CONGRESS) AND SHALL BE DEEMED TO CONTAIN ALL THE PROVISIONS REQUIRED BY SECTION 104 OF SAID ACT.

(B) THE CONTRACTOR (WHICH TERM AS USED IN THIS CLAUSE MEANS THE PARTY CONTRACTING TO FURNISH THE MATERIALS OR PERFORM THE WORK REQUIRED BY THIS CONTRACT) AGREES TO INSERT THE PROVISIONS OF THIS CLAUSE, INCLUDING THIS PARAGRAPH (B). IN ALL SUBCONTRACTS AS REQUIRED BY SECTION 104 OF THE RENEGOTIATION ACT OF 1951; PROVIDED, THAT THE CONTRACTOR SHALL NOT BE REQUIRED TO INSERT THE PROVISIONS OF THIS CLAUSE IN ANY SUBCONTRACT OF A CLASS OR TYPE DESCRIBED IN SECTION 106(A) OF THE RENEGOTIATION ACT OF 1951.

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